

Bonding Capacity

May 2018



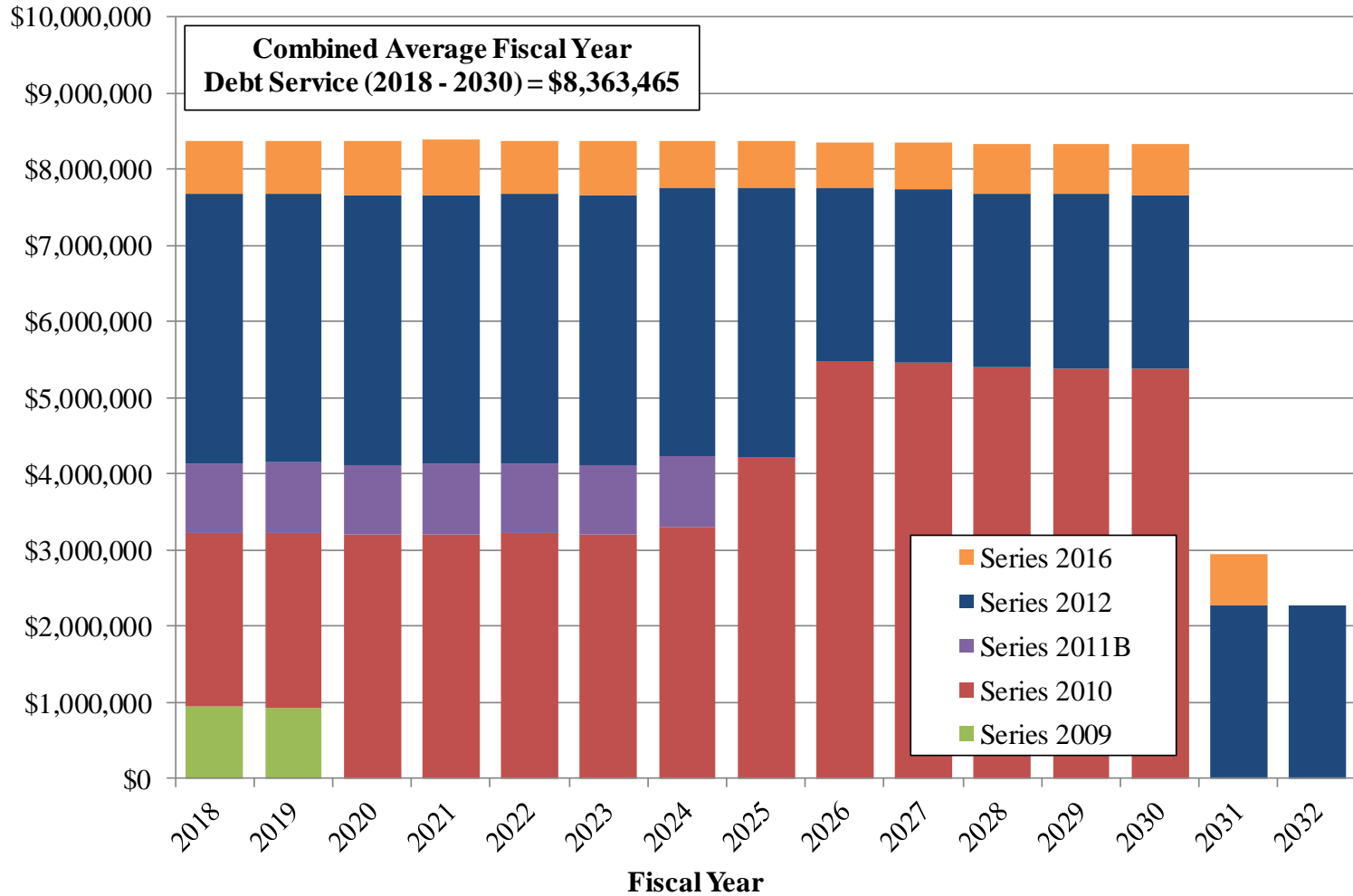
Current Total Debt Outstanding

<u>Issue</u>	<u>Balance 06/30/17</u>	<u>Notes</u>
Series 2009	\$1,775,000	Refinance Series 1999 -Spanish Walk Apts., Refinance 1991 bonds (Hazardous Waste Facility, Student Apts., deferred maintenance), Wyoming Union and Bookstore renovation Final payment 6/1/19
Series 2010	39,575,000	Visual Arts Building/Downey Hall/Refinance Series 2001 (Washakie Center addition & renovation, Wyoming Union renovation) Final payment 6/1/30
Series 2011	5,635,000	Refinance Series 2004 (Health Sciences partial renovation, McIntyre & Orr Residence Halls renovation) Final payment 6/1/24
Series 2012	33,030,000	Performing Arts/White Hall/Half Acre Gym/Refinance Series 2005 (Archeology & Anthropology Resources Facility) Final payment 6/1/32
Series 2016	7,185,000	Refinance Series 2011A (UW/CC joint facility)Final payment 6/1/31
Totals	<u>\$ 87,200,000</u>	



Overview of Outstanding Debt

University of Wyoming Existing Combined Annual Debt



FY 2017

Sources of Pledged Revenue to Cover Debt

	\$'s in Millions	%
Auxiliary Net Pledged Revenue:		
Dining Services	\$2.05	9.13%
Half Acre Student Fees	\$ -.04	-0.18%
Residence Life	\$2.58	11.50%
Sales and Fees	\$1.79	7.98%
University Bookstore	\$0.26	1.16%
Telecommunications	\$0.19	0.85%
Wyoming Student Union	\$0.17	0.76%
Non-Auxiliary Net Pledged Revenue:		
Federal Mineral Royalties*	\$13.37	59.58%
Investment Income	\$1.17	5.21%
Indirect Cost Recovery (Section I Support)	\$0.90	4.01%
Annual Net Pledged Revenue FY 2017	\$22.44	100.00%

* FMRs amount of \$13.37M is committed to Debt Service (\$4.86M), Maintenance and Operation of Physical Plant (\$8.51M).



UNIVERSITY OF WYOMING

Debt Service Coverage

- Net Pledged Revenue \$ 22.44 M
- Maximum Annual Debt Service \$ 8.33 M
- Debt Service Coverage 2.69 X*

* Fiscal Year 2017

Standard & Poor's AA- Stable rating reflects the following:

- Strong demonstrated history of state support
- Only 4-year institution in the state
- Positive financial operations
- Very low debt burden and good capital support from the state
- Strong coverage ratios
- Adequate financial resources

Moody's Aa2 Stable rating reflects the following:

- Dominant market position and key driver of economic development as the sole four-year public education provider in the state
- Extraordinary state support
- History of positive operating performance
- Overall good financial resources



Public University Ratings

UNIVERSITY OF WYOMING Peer Credit Comparison						
Institution	Moody's		S&P		Debt per FTE	Debt Service Coverage***
	Rating	Outlook	Rating	Outlook		
University of Wyoming	Aa2	Stable	AA-	Stable	\$9,187	4.70x
Moody's Aa2 Public Medians**	Aa2	-	-	-	\$23,843	3.20x
University of Idaho	Aa3	Stable	A+	Stable	\$19,512	3.30x
University of Nevada - Reno	Aa2	Stable	AA-	Stable	\$9,089	2.90x
New Mexico State University	A1	Stable	AA-	Stable	\$5,715	2.00x
University of Rhode Island	Aa3	Stable	A+	Stable	\$12,308	2.00x
Utah State University	-	-	AA+	Stable	\$40,919	-
University of Maine	-	-	AA-	Stable	\$7,156	-
Oklahoma State University	Aa3	Stable	AA	Negative	\$45,087	1.60x
Montana State University	Aa3	Stable	A+	Positive	\$9,044	3.50x
South Dakota State University	Aa3	Stable	AA-	Stable	\$18,798	3.40x
University of Montana	Aa3	Stable	A+	Stable	\$6,343	1.50x
North Dakota State University	Aa3	Stable	AA-	Stable	\$9,130	2.60x
Median Peer Group Debt Service Coverage Ratio						2.75x

*Data extracted from most recently published Moody's rating report for each respective institution

**Data derived from all Moody's Aa2 rated public institutions in the nation

***S&P does not provide the DSCR in their most recent rating reports

Impact of Additional Debt on Debt Service Coverage

Additional Debt (20 Yr. Bonds)	Total Debt	Net Pledged Revenue (in millions) ¹	Annual Debt Service (in millions) ^{2,3}	Debt Service Coverage	
6/30/17 Debt	\$ 87.2 M	\$22.44	8.3	\$2.69	X
\$ 10 M	\$ 97.2 M	\$22.44	9.1	\$2.46	X
\$ 20 M	\$ 107.2 M	\$22.44	9.9	\$2.26	X
\$ 30 M	\$ 117.2 M	\$22.44	10.7	\$2.09	X
\$ 40 M	\$ 127.2 M	\$22.44	11.5	\$1.95	X
\$ 50 M	\$ 137.2 M	\$22.44	12.3	\$1.82	X
¹ Assumes no increase in net pledged revenue (no student fee increase)					
² Excess net revenue (\$22.44 - \$8.3) committed to other uses (e.g., FMR support for Physical Plant)					
³ Assumes interest rate of 5% for additional debt (subject to market conditions)					

UW's Bonding/Debt Capacity

- *How much additional bonding/debt capacity does UW have for capital projects?*
 - *Examination of net pledged revenues suggests that increases in net pledged revenues from enterprise funds are necessary to increase debt capacity.*
 - *Maintaining UW's credit rating is important to maintain borrowing capacity and keep associated borrowing costs down.*
 - *UW should only borrow at levels that would keep the debt service coverage ratio in the median of peer institutions*

